

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:902
ANSWERED ON:06.12.2004
CHANGE IN SUGARCANE PRICE REGIME
Yerrannaidu Shri Kinjarapu

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Sugar Industry has sought overhaul of Cane price regime and lower the Statutory Minimum Price (SMP) fixing it on zonal basis linking to average and not peak recovery; and

(b) if so, the reaction of the Government to the anomalies pointed out by the Industry?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a)&(b): As per the present practice, Government have notified a uniform Statutory Minimum Price (SMP) for the entire country for sugarcane at Rs. 74.50 per quintal linked to a basic recovery of 8.5% subject to a premium of Rs. 0.88 for every 0.1% point rise in the recovery above that level for sugar season 2004-05, compared to Rs.73.00 per quintal for the sugar season 2003-04 linked to a basic recovery of 8.5%. Requests for different SMPs for different Regions was not agreed to by Government as Government declares one uniform price for the entire country for different agricultural commodities. Government have however decided that with effect from 2004-05 sugar season the factory-wise SMP of sugarcane will be fixed by taking into account the whole season's recovery rate instead of the peak period recovery rate. In addition, rounding off the fraction of recovery rate will be done as per statistical practice upto one decimal place with effect from 2004-05 sugar season.